

FIRST LEASE AMENDMENT

Recitals

- Section 1. Designation of Lessor
- Section 2. Extension of Lease Term
- Section 3. Utilities
- Section 4. Miscellaneous

THIS FIRST LEASE AMENDMENT ("Amendment") dated as of _____, 2014, is entered into by and between the **COUNTY OF SAN LUIS OBISPO**, hereinafter referred to as "County" and individuals, **JAMES SAUNDERS and DEBRA SAUNDERS, dba J&D PROPERTIES**, hereinafter collectively referred to as, "Lessor."

RECITALS

A. County and James Saunders, Debra Saunders, and Terry Saunders ("Original Lessor") entered into that certain Lease executed as of April 26, 2011 (the "Original Lease") pursuant to which Original Lessor leased to County, and County leased from Original Lessor, those certain premises hereinafter referred to as "Premises", and more particularly described as approximately 12,166 square feet of improved office space, located at 406 Spring Street, in the City of Paso Robles, California.

B. James Saunders and Debra Saunders acquired the interest of Terry Saunders in the property on which the Premises are located, so that all references to "Lessor" shall be deemed to refer to James Saunders and Debra Saunders, dba J&D Properties. Terry Saunders is signing an Acknowledgement on this First Lease Amendment solely to confirm his previous assignment of any interests in the Lease to James Saunders and Debra Saunders.

C. Pursuant to the terms of paragraph 35 of the Original Lease, Lessor and County are simultaneously herewith entering into a new lease ("Expansion Space Lease) for a building of approximately 12,000 square feet adjacent to the Premises at 810 4th Street, Paso Robles, California, and the parties wish to coordinate the term of both leases, so that the term of the Original Lease shall be extended hereby. The parties also wish to clarify certain revisions to their responsibility for utilities.

NOW THEREFORE, for good and valuable consideration the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

Section 1. Designation of Lessor

All references to "Lessor" under the Original Lease shall be deemed to refer to James Saunders and Debra Saunders, dba J&D Properties.

Section 2. Extension of Lease Term

The term of the Original Lease is hereby extended to the date which is twenty years from the commencement of the Expansion Space Lease, and upon such commencement date, the parties agree to execute and attach hereto an Expiration Date Memorandum designating the extended expiration date of the Original Lease, in the form attached hereto as Exhibit "A". County hereby authorizes the General Services Agency Director to execute the Expiration Date Memorandum. County shall still have the right to exercise its options to extend the Lease beyond the extended expiration date pursuant to Paragraph 4 of the Original Lease.

Section 3. Utilities

Effective upon the date of County's occupancy of 810 4th Street in Paso Robles, Section 7 of the Lease is hereby deleted in its entirety, and replaced with the following language:

"7. Taxes and Utilities: The parties acknowledge that County will be the sole occupant within the building in which the Premises are located and that said building is separately metered for utility services. Lessor shall pay for water, gas and electric services to locations outside of the building in which the Premises are located, including landscaping and parking areas. County shall pay during the term of this Lease and any extensions or renewals thereof all telephone and internet services and any separately metered utilities, including trash, gas, electric, sewer and water for the building in which the Premises are located, or used in areas occupied and used exclusively by County during its occupation of the Premises.

Any and all fire suppression systems, any existing fire detection systems, and the elevator emergency system shall be maintained by Lessor according to requirements of the Paso Robles City Fire Department, but County shall be the first point of contact for any emergency or alarm systems, and shall provide contact information (responsible individual and telephone number) to the Fire Department and any alarm companies for that purpose. Lessor shall pay for all costs associated with such emergency systems, including utilities and telephone lines. Lessor will pay all real property taxes and any assessments, including special assessments, levied or assessed on the land and improvements thereon of which the leased Premises is a part."

Section 4. Miscellaneous

Except as amended or modified herein, all the terms of the Original Lease shall remain in full force and effect. Submission of this instrument for examination or signature by County does not constitute an offer to lease or a reservation of or option to lease. Lessor shall not be bound by this First Amendment until Lessor has executed and delivered this First Lease Amendment to County, notwithstanding County's execution and delivery of this First Lease Amendment to Lessor. Time is of the essence in this First Lease Amendment and the Original Lease (collectively "Lease") and each and all of their respective provisions. Subject to the provisions of

the Lease as to assignment, the agreements, conditions and provisions herein contained shall apply to and bind the heirs, executors, administrators, successors and assigns of the parties hereto. If any provisions of this First Lease Amendment or the Lease shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of the Lease and all such other provisions shall remain in full force and effect. The language in all parts of the Lease shall be construed according to its normal and usual meaning and not strictly for or against either Lessor or County. Neither this First Lease Amendment, the Original Lease, nor any notice nor memorandum regarding the terms hereof, shall be recorded by County. Any such unauthorized recording shall give Lessor the right to declare a breach of the Lease and pursue the remedies provided for therein.

IN WITNESS WHEREOF, the parties have executed this First Lease Amendment as of the date first written above.

"County"

COUNTY OF SAN LUIS OBISPO

"Lessor"

By: _____
Chairperson of the Board of Supervisors

JAMES SAUNDERS

Approved by the Board of Supervisors this
_____ day of _____, 2014

DEBRA SAUNDERS

ATTEST:

Clerk of the Board of Supervisors

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL
County Counsel

By: _____
Chief Deputy County Counsel

Date: 10/23/14

ACKNOWLEDGEMENT OF ASSIGNMENT OF INTEREST IN LEASE:

The undersigned acknowledges that he has assigned his interest as an original Lessor in the Lease to James Saunders and Debra Saunders effective as of October 30, 2013, and represents to County that he has no further interest in the property at 406 Spring Street which is the subject of this Lease.

TERRY C. SAUNDERS

EXHIBIT "A"

EXPIRATION DATE MEMORANDUM

With respect to the Lease ("Lease") between the County of San Luis Obispo ("County") and James Saunders and Debra Saunders, dba J&D Properties ("Lessor"), by which Landlord leased the Premises located at 406 Spring Street in the City of Paso Robles, California, in accordance with the Lease dated April 26, 2011 and amended effective as of _____, 2014, Lessor and County acknowledge that the expiration date of the Lease referenced in Paragraph 3 shall be amended to reflect the following date: _____. This Extension shall not affect County's right to exercise options to extend the term under Paragraph 4 of the Lease.

IN WITNESS WHEREOF, this Expiration Date Memorandum is executed on

_____.

"County"
COUNTY OF SAN LUIS OBISPO

"Lessor"

By: _____
General Services Director

JAMES SAUNDERS

_____ day of _____, 20__

DEBRA SAUNDERS

APPROVED AS TO FORM AND LEGAL EFFECT:
RITA L. NEAL
County Counsel

By: _____
Chief Deputy County Counsel

Date: _____

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